

## **Poverty And Inequality As Capability Deprivation By Decision Makers:**

Decision makers are a missing link in poverty and inequality measurements and efforts to address poverty and inequality

My conceptual multi-dimensional model of growth and effectiveness achievement outcome measures was developed in the context of a management and leadership development programme. The management and leadership development was a four years ethnographic action learning/research which involved about 300 managers with varied experience from junior level, middle level and senior level.

As part of addressing its 2010-2014 strategic plan, the bank considered to undertake a management and leadership development programme so as to address two key requirements: First, was to develop managers and leaders who can enhance the banks growth and expansion plans and second, to develop managers and leaders for addressing the banks succession plan requirements.

Simplistically, from perspectives based on “self-agency” and “common-conjoint or group efforts”- when you accept to be part of management and leadership development programme of an institution or organisation it means that you agree to sacrifice self for the benefit of others. In this way, the management and leadership development programme must be seen as a non-kinship short term strategic alliance. In order to be sustained, this short term strategic alliance required costly investment in terms of social exchanges and economic exchanges.

The manager’s agreements to the banks two objectives – addressing succession plan needs and growth and expansion requirements should be seen as an enactment of a leader-follower relationship. At the center of the programme a key question was on what investments in terms of the social exchanges and economic exchanges should the bank make so as to ensure that these people will be committed to the bank and demonstrate the highest levels of citizenship behavior, altruism and inward job crafting instead of doing moon lighting tendencies such as having part time jobs or doing private business which will impact on the banks performance?

To put this question in a more elaborate form – my question wanted to identify the constructs which underpins the mechanism of cooperation between leaders and followers which could provide the optimal level of an individual index of growth and effectiveness achievement outcome measures. Furthermore, I wanted to identify what did the participants consider could be a deprivation factors for non-achievement of their growth goals and objectives.

One of the benefits of ethnographic studies is that of allowing a researcher to immerse yourself with the participants when observing and listening to stories and narratives. However, this has its own dangers as well- through the day to day activities or involvement with the participants the danger is that of researchers turning to be natives. The process of being an insider researcher but not a native – it gave me an opportunity to uncover the pillars, foundations and framework of references which are used to underpin the growth decision making frameworks.

In the northern Tanzania for example, the Chaga tribe – is widely known for its “Going Out” practices. This practice might have been contributed among other reasons by the scarcity of land due to traditional Chaga land tenure policies which don’t allow the young generations to own land. Secondly, is the collapse of the international world commodity market which saw a large number of coffee farmers

abandoning their farms and move to cities and urban centres to seek for alternative source of income and lastly it could be due to purposeful political interference which aimed to destabilize the once existed strong cooperative unions which seem to be difficult to control by the government administration.



Chaga like the Chinese have been practicing the “going out” policy or strategy for many years. During the end of the year holiday seasons in December, it is customary for all people who went out to look for wealth through undertaking different income generating activities to travel back home and meet the rest of the family members who will be also coming back home from other regions. This family re-union is used for accountability purposes. Family heads and elders would seek to identify whether you are doing well in work or not.



The hermeneutical based benchmarking criterions while it is based on the perceptions, yet it is very extensive because it involved all areas of development. The individual assessment of personal goals, career goals, professional goals, organisational goals and community goals are undertaken through comparing one's achievement say with other class mates, age mates, school mates, neighbors, and also on the basis of gender, religions etc. For example, it was expected that, men at the age of 25-30 years to

have owned some properties such as at least one house to accommodate you and your family when you come back home for a holiday; to have acquired a private transport and have a family with at least a child.



As a result of the four years on working with managers some of them acted as my learning community, some as critical friends and others as my validation group. Thus, I was able to identify, develop and test the constructs which underpinned the six key dimensions of individual growth and effectiveness achievement outcomes and measures.

Out of the six constructs are three measures of decision making effectiveness: i.e the index of leaders decision making effectiveness which demonstrate accountability, openness, transparency and inclusion in decision making through how leaders engage, develop, enable and empowers the multiple stakeholders. The leader's decision making effectiveness includes two leadership decision making moderating factors: the index of leader's tolerance to followers ambiguities due to differences based on diversities eg age, gender, ethnic, religion, profession, etc and social cultural values systems or ways of thinking or levels of consciousness; and the index of trust which demonstrate the perceptions of the multiple stakeholder's quality of their leadership-followership relationship.

Amartya Sen indicated that poverty and inequality are capability deprivation. The ontological and epistemological perspectives informing the taxonomy which underpin the current widely adopted and practiced multi-dimensional measure of poverty and inequality is grounded on social justice. It focuses on what individuals do not have eg income, health, medical, water, etc as terminal values or ends as opposed to focusing on knowledge, values and behaviours as the instrumental values or adaptive capabilities for driving growth and effectiveness achievement outcomes.



We live in knowledge, cross-cultured and volatile, uncertain, complex and ambiguous context. This is a different context to when the concept of the wealth of the nations by Adam Smith was coined. Thus, when you consider income as a capability deprivation as a capability - you support social exclusion and thus inequality and poverty will persist. However, when you reverse the taxonomy and consider knowledge, values and behaviour as a capability deprivation - you motivate and support emancipation from inequality and poverty because all people regardless of their location or context they have knowledge, values and behaviours which can be used as instruments for driving growth and effectiveness achievement.

Meaning that, individuals, organisations and institutions or societies and communities in developing countries are able to earn eg income, health, medical, water, etc is they use knowledge, values and behaviours as their adaptive capabilities from whatever level of poverty they are living in-as through these adaptive capabilities they can even work against those who provide deprivation.

Most of the currently adopted and practiced multi-dimensional measures of poverty and inequality assume to be operating in a vacuum as they ignore the presence of political and power dynamics. Thus, at the core of the proposed framework is the assumption that, leaders can impact the growth and effectiveness outcome achievement of followers due to differences based in diversities eg age, gender, race, ethnicity, profession, religion etc or social cultural value systems or world views. Building on the locus of control for example (T. Higgin), people will only follow a leader up and until to a certain level of tolerance. When people feel that they are likely not to achieve their planned growth and effectiveness

achievement they decide to adopt either a promotional strategic and preventive strategy. No matter how long it will take, leaders might use institutions to control, guide, limit and direct human capital-for years or decades but one day people will decide to resist bad decisions in terms of policies, strategies, programmes and projects in eg healthcare, education, water, infrastructure, agriculture, etc which impact their growth and effectiveness achievement outcomes. These efforts for searching for freedom- as in accordance to Amartya Sen have been seen as class struggles in different places as document in history. We have seen government been over thrown, coup de tar, strikes at workplace, etc as part of resistance or fight for freedom.



The multi-dimensional measure of growth and effectiveness achievement outcomes need to be integrative by addressing both the instrumental and terminal values. In order to address this gap, the proposed multi-

level and value based framework uses knowledge, values and behaviours as adaptive capabilities for emancipating individuals, organisations/institutions and communities or societies from poverty and inequality. This approach is different from the current focus on the deprivation factors as the focus on the deprivation does not provide motivation for change through self-leadership or shared –leadership – most of participants considered that leadership decision making effectiveness was the main reason for why some people achieved and some did not achieve the planned growth goals and objectives. Meaning that, the achievement or non-achievement of the growth and effectiveness goals and objectives depended on the quality of the leader-followers relationship.

Effective leadership decision making is central to addressing or accelerating poverty and inequality. It is from these perspectives (in Chen and Ravallion, 2013) that at the launch of the United Nations' (2011) *Millennium Goals Report*, the U.N.'s Secretary-General Ban Ki-moon said that: "The poorest of the world are being left behind. We need to reach out and lift them into our lifeboat." Similarly, the President of the World Bank, Jim Yong Kim, talks about "eliminating" global poverty.

From the multi-level perspectives, probably the interest for developing "clientship" by decision makers at all levels from the family, community or societal, organisational/institutional, national and international level etc and also the drive towards social exchanges and income exchanges seeking by followers might also explain why the leader-member- exchange theory (LMX) or the paternalistic leadership is widely practiced in Africa and other developing nations. It is from this background that, my multi-dimension measure of poverty and inequality takes into account the leadership decision making effectiveness as among the constructs to be measured.

The currently widely practiced poverty and inequality measures do not factor in the decision making process as one of its dimensions- this is among others factors contributing to the limitation of survey data. Even when you have data such as the house hold budgets surveys performance indicators and GDP performance indicators, these are not operationalised as measures of leadership decision making effectiveness. Furthermore, it has not come to the knowledge or attentions to most of the leaders that, the GDP performance and House Hold Budget Surveys performance indicators if used effectively would have been an effective tool for evaluating the decision making effectiveness of the heads of states or the administration in power.

Thus, in order to address this gap, the quality of the leader-follower relationship is measured through three dimensions of growth and effectiveness achievement outcomes: the individual effectiveness, the organisational/institutional effectiveness and the overall community well-being and social impact.

The index of individual effectiveness- is measured in term of the knowledge workers perceptions of meaning of work or work meaning. Work meaning or meaning of work is referred to how individual knowledge workers achieve their personal goals, career goals, professional goals, organisational goals and community goals. In addition, knowledge workers in this case include all able people, who can undertake productive activities. Thus, when measuring poverty and inequality of this dimension which represents the able people who can undertake productive income generating activities it is wrong to use a single line (World Bank, 1990; Ravallion et al., 1991) say the \$1.25 at 2005 Purchasing Power Parity (PPP) exchange rates, and then counts how many people live in households with consumption or income per person less than this line. Just like when you make a comparison between poor countries and rich

countries, we need not to focus at the level of the floor because the consumption spending differs from one person to another (Ravallion, 2015a).



The index of institutional/organisational effectiveness is based on the perception of how the institutions/organisations are experiencing increased growth, sales, profits, innovation, sustainability and adaptability as a result of effective management of performance, accountability, governance, compliance, risk and behaviour measures. While all policies, strategies, programmes and projects for driving growth and effectiveness achievement outcomes are undertaken within institutions and organisations, these are not taken into account when measuring poverty and inequality. Decisions made within institutions with regards to the design, development and delivery of services, products and solutions have a significant contribution to poverty and inequality taking into account the volatile, uncertain, complex and ambiguous contexts in which institutions and organisations operate. It follows that, institutions and organisations need to be factored in the measure of inequality and poverty because, and these are productive income generating enterprises which contributes to the Gross Domestic Products (GDP) through the design, development and delivery of products, services and solutions to the community. Thus, increased growth, sales, profits, innovation, sustainability and adaptability as a result of effective management of performance, accountability, governance, compliance, risk and behaviour measures will eventually impact on the welfare in different ways eg through employment creation, differentiated quality products, services and solutions, products, services and solutions which contribute to longevity, improved health and lifestyle, etc.

Finally, the index of community social impact measure the overall community well-being which have been achieved through the use or consumptions of services, products and solutions which have been

designed, developed and delivered by the knowledge workers. Specifically, it is within the community social impact dimension where concerns for social effects on welfare such as deprivation, shame and social exclusion need to be addressed (Amartya Sen , Ravallion, 2008). Thus, if we want to take social effect seriously, then the measure of welfare or the community social impact should measures social inclusion from distributive justice on the basis of how the knowledge which has been used in the design, development and delivery of products, services and solutions did pay respect to life; respect to property; respect to information; respect to social justice; respect to environment.

